



## 1.1.035 ACA - Conflict of Interest Policy and Guidelines

<b>Adopted by</b>	<b>Board of Aiglon College Association</b>	7 November 2024
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<b>Audience</b>	Public	

### 1. Purpose and scope

#### To Whom Is this Policy Addressed?

This policy is addressed to members of Aiglon College Association (hereinafter “ACA” or the “Association”) who are intending to participate and/or vote on a matter - whether this be at a board or committee of ACA or at a vote at an general meeting (AGM or EGM) of ACA.

#### Aim and Scope

The aim and scope of this policy is to appropriately manage conflict of interests that arise in relation to the making of decisions by the governing bodies of ACA, thus maintaining the highest standards of integrity, and accountability, safeguarding the trust placed in it by the community, donors, and stakeholders.

#### The relevant provisions

Under Article 25 of the Constitution,

*Members and members of the Board or the Nomination Committee or of any other body of the Association are precluded from participating in any deliberations and votes on items in respect of which they are in a situation of conflict of interest. The relevant persons are obliged to inform the Chair of any such conflict situations in advance.*

The above thus applies to the board of ACA and its committees. It also applies to any AGM or EGM of ACA.

Please note that under the current Constitution, conflicts of interests cannot be waived by the chair or members even if there is a compelling benefit to having the conflicted member participate or vote on a matter.

### 2. Golden Rule

Members of the board or committees of ACA and ACA members voting on a motion before the EGM or AGM must :

- a) promptly and fully disclose or report any actual, potential or perceived conflict of interest;
- b) not participate in discussions or vote in any matter wherein they are in a conflict of interest.

### 3. Definitions

In the context of this policy, the following definitions apply:

#### - **Conflicts of interest**

A conflict of interest occurs when an individual's personal circumstances (family, friendships, financial, or social factors) could compromise his or her judgement, decisions, or actions in the workplace.<sup>1</sup> Such personal interests may for example:

- a) lead a board member to advance an initiative that is incompatible with the board's member fiduciary duty<sup>2</sup> to the institution, or
- b) entail steps by the board member to achieve personal gain and/or benefit, or gain and/or benefit to family, friends or associates, by apparent use of the board member's role at the institution.

A conflict of interest exists when two or more contradictory interests relate to an activity by an individual or an institution. The conflict lies in the situation, not in any behaviour or lack of behaviour of the individual. That means that a conflict of interest is not intrinsically a bad thing.<sup>3</sup>

#### - **When a Financial Interest may give rise to a Conflict of Interest?**

A conflict of interest will arise where a person will or may benefit financially or through the conferring of benefits-in-kind<sup>4</sup> (directly or indirectly) from participating in or voting on a matter that is before a board or committee. Non-exhaustive examples of this are as follows:

- The person has an ownership or investment interest in an entity or individual with which the Association is proposed to enter into a business deal (e.g. in the context of an investment);
- There are existing business arrangements or transactions between two or more ACA members that may impact their voting;
- Aiglon is proposing a scholarship fund or financial aid for pupils which would, if adopted, favour children of the individual or friends or family of that individual;
- ACA is proposing to enter into an arrangement which will financially benefit a friend or family member of the person;
- The person will receive remuneration from the Association if a transaction or deal goes ahead between the ACA and a third party dealings.

## A. INDIVIDUAL RESPONSIBILITIES OF BOARD MEMBERS

### 1. Declaration of interest

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<sup>1</sup>Adapted from <https://compliance.ucf.edu/understanding-conflict-of-interest>

<sup>2</sup>As notably defined within the ACA Board's policies on "Code of Conduct and Ethics".

<sup>3</sup> <https://ori.hhs.gov/education/products/ucla/chapter4/default.htm>

<sup>4</sup> A "benefit in kind" may be a gift, a holiday, use of a villa, or material or non-material benefits (e.g. including membership in a club, valued introduction or preferential admission into prestigious institutions for children or grandchildren) that the individual will receive if Aiglon goes ahead with a transaction or deal.

All members must complete a declaration of interest form (*see Appendix 2*) before joining the ACA. Such members are required insofar as they remain members of the ACA, to:

- acknowledge having read and understand the Policy on Conflicts of Interests;
- declare all interests as outlined on the form ;
- yearly declare any interests that have arisen since the previous year.

## **2. Disclosure of existing or potential conflict of interest**

In connection with any matter to be discussed or voted on at an ACA board or committee meeting that the interested person may have an actual, potential or perceived conflict of interest, the interested person shall disclose the existence of the actual, potential or perceived conflict of interest and all material facts to the Chair of the Board of ACA prior to that meeting .

Any member of the board or a committee who is aware of an existing, perceived or potential conflict of interest that another board or committee member has on a matter to be discussed and/or voted on, shall, prior to the matter being discussed and/or voted on, inform the Chair and Vice Chair of the Board of ACA, or, if a committee matter, the chair of the Committee. Should the conflict of interest concern the Chair **and** Vice Chair of the ACA Board or chair of an ACA committee, the conflict of interest shall be disclosed to at least 2 other ACA board or committee members.

## **B. PROCESS TO MANAGE DISPUTES AS TO CONFLICTS OF INTEREST AND WHETHER OR NOT THERE IS A CONFLICT OF INTEREST**

### **Resolving disputes as to whether there is a conflict of interest?**

1. If there is a dispute as to whether or not a member has an actual, potential or perceived conflict of interest, the Chair shall decide whether or not there is unless it relates to the Chair and in which case, the Vice Chair shall decide. If the Chair or Vice Chair does not consider that the matter is clear, he or she shall inform the members of the ACA Board (or Committee, if applicable) who shall decide the matter on a simple majority (not including the member concerned) with the Chair having a casting vote (if the conflict of interest does not concern the Chair).

### **What to do if you are not sure that you have a conflict of interest?**

2. A member of a board or committee may be unsure as to whether or not he or she has a conflict of interest on a particular matter. If so, he or she may disclose it confidentially to the chair of the board or committee who will then decide whether or not it is a conflict of interest. If it is the chair of a board or committee who has that concern, he or she shall refer it to the vice chair or if there is no vice chair, to two other members of the board or committee to decide. If the decision-maker is of the view that it is not a conflict of interest, then it shall go no further. If the decision-maker is of the view that it is a conflict of interest, then paragraph 1 shall apply.

## **C. ADDRESSING VIOLATIONS OF THE POLICY ON THE CONFLICT OF INTEREST**

If a member of the ACA board or committee has reasonable cause to believe that another member has wilfully failed to disclose an actual, potential or perceived conflicts of interest on a matter which the latter was intending to participate or vote in, he or she shall inform the Chair of the board or committee who shall afford the member an opportunity to explain the alleged failure to disclose. If that member is the Chair, the informing member shall inform other members of the committee or board.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board determines the member has wilfully failed to disclose an actual, potential or perceived conflict of interest, it shall raise the matter with the ACA Board for appropriate action.

Any vote on which a member participated on or voted in when he or she was in a conflict of interest shall be treated as a null and void vote unless in the view of the Chair (or Vice Chair if the conflict of interest relates to the Chair), such failure would not have had a material effect on the outcome of the vote.

#### **D. RECORDS OF PROCEEDING**

The board shall ensure that discussions and decisions pertaining to existing or potential conflict of interest are captured in meeting minutes or reports, containing the following information:

- the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual, potential or perceived conflict of interest;
- the nature of the financial interest;
- any action taken to determine whether a conflict of interest was present, and;
- the governing boards or committee's decision as to whether a conflict of interest in fact existed, including:
  - the names of the persons who were present for discussions and votes relating to the transaction or arrangement;
  - the content of the discussion, including any alternatives to the proposed transaction or arrangement, and;
  - a record of any votes taken in connection therewith.